

**COUNCIL ACTION FORM**

**SUBJECT: CONCRETE ACID CONTAINMENT STRUCTURE AT POWER PLANT**

**BACKGROUND:**

This project is for removing and disposing of the existing deteriorated concrete foundation and containment structure and installing a new tank concrete foundation and containment structure located at the Power Plant. The containment is around and under a steel tank that contains 98% sulfuric acid. It is in place to contain the acid in case of a tank rupture, and to catch any leaks and drips from the tank piping and fill systems. The current containment is in poor condition and needs to be replaced.

**This portion of the project is to hire a contractor to supply and install the containment structure coating system. The purpose of this coating system is to protect the concrete from acid.** Council should note that the removal and replacement of the concrete foundation and containment structure portion of the project is presently out for bid and will be presented to Council at a later date.

Bid documents were issued to seventeen potential bidders. The bid was advertised on the Current Bid Opportunities section of the Purchasing webpage and was sent out to two plan rooms. The engineer's estimated cost for this work was \$75,000.

On April 24, 2014, five bids were received as shown on the attached report. The bid submitted by L & P Painting Company, Inc. was non-responsive because they did not submit a signed City of Ames bid form with their bid. This is a mandatory requirement when submitting bids.

Staff performed an extensive evaluation of the apparent low bid in the amount of \$24,800 (exclusive of sales-tax for evaluation purposes only) submitted by TMI Coatings, Inc. Staff determined that TMI provided very vague information with its bid and are bidding a much lower quality coating system compared to the rest of the bidders. All bidders proposed a resin impregnated blanket lining except TMI, which proposed to put fibers in the resin. This approach is inferior, since the blanket keeps the coating system integral as the concrete continues to cure and settle long after the coating is installed. In addition, TMI indicated they would prime the concrete but did not provide any information about the product, nor did they mention anything about surface preparation. Poor surface preparation leads directly to coatings failure.

**Based on the coating system proposed and the lack of information about the system and the surface preparation, staff is recommending that the apparent low bidder not be considered.**

Staff concluded that the apparent second low bid submitted by Coatings Unlimited, Inc., Bridgeton, MO, in the amount of \$35,370, plus applicable sales taxes, is acceptable.

Since this contractor is not licensed to collect sales taxes for the State of Iowa, the City would pay applicable Iowa Sales Taxes directly to the State of Iowa. **Coatings Unlimited provided detailed information on their proposed system of concrete protection and it was determined that they met the specifications fully.**

Funding for this work is available in the approved FY2014/15 Electric Production operating budget, which contains \$85,000 in the Miscellaneous Parts and Supplies account.

To date the following funds are encumbered for this project:

<u>\$35,370*</u>	<b>Actual cost for Coat Concrete Acid Containment Structure – (Pending Council award for this agenda item)</b> <b>* This amount does not include applicable sales tax which the City will pay directly to the state of Iowa.</b>
\$49,630	Balance available to complete project (removal and replacement of concrete containment structure which is currently out for bid. Bids are due on May 14, 2014.)

**ALTERNATIVES:**

1. Award a contract to Coatings Unlimited, Inc., Bridgeton, MO, for the Coat Concrete Acid Containment Structure at Power Plant in the amount of \$35,370, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.
2. Award a contract to one of the other bidders.
3. Reject all bids which will delay the replacement of the acid containment structure.

**MANAGER'S RECOMMENDED ACTION:**

The acid containment structure is deteriorating and must be replaced. Without this needed replacement there is a risk that the structure could rupture which could release a significant amount of sulfuric acid. Utilizing a low quality coating system could significantly increase the risk of premature failure of the system.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby awarding a contract to Coatings Unlimited, Inc., Bridgeton, MO, for the Coat Concrete Acid Containment Structure at Power Plant in the amount of \$35,370, plus applicable sales taxes to be paid directly by the City of Ames to the State of Iowa.



**REQUEST FOR QUOTATION NO. 2014-208  
COAT CONCRETE ACID CONTAINMENT  
STRUCTURE AT POWER PLANT  
BID SUMMARY**

<b>BIDDER</b>	<b>LUMP SUM PRICE</b>	<b>SALES/USE TAXES INC.</b>	<b>EVALUATED TOTAL*</b>
TMI Coatings, Inc. St. Paul, MN	\$26,650.00	\$1,850.00	<b>\$24,800.00</b>
Coatings Unlimited, Inc. Bridgeton, MO	\$36,499.00	\$1,129.00	<b>\$35,370.00</b>
W.S. Bunch Co. Omaha, NE	\$41,629.00	\$0.00	<b>\$41,629.00</b>
Pospisil Painting, Inc. Cedar Rapids, IA	\$49,465.00	\$996.10	<b>\$48,468.90</b>
L & P Painting Company, Inc. Cedar Rapids, IA	Non-responsive. Did not submit a signed City of Ames bid form with its bid.		

\* Evaluated Totals are less all applicable taxes to insure fair evaluation of prices since two bidders are not licensed to collect taxes.